

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4594-02  
Bill No.: HB 1375  
Subject: Water Resources and Water Districts; Natural Resources, Department of;  
Environmental Protection  
Type: Original  
Date: January 4, 2016

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Bill Summary: This proposal specifies that the Department of Natural Resources shall conduct an evaluation as part of an implementation of any changes to the water quality standards.

**FISCAL SUMMARY**

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## **FISCAL ANALYSIS**

### **ASSUMPTION**

Officials at the **Department of Natural Resources** assume while the requirements laid out in the modification to § 644.058, RSMo will result in additional staff time to complete, it is not anticipated that this proposal will have a quantifiable fiscal impact to their organization.

Through the current rulemaking process, the department completes an assessment of whether or not there is an environmental need for a water quality standards amendment or revision. A “Finding of Necessity” is required by § 536.016, RSMo and is conducted according to DNR Rulemaking Policy and Procedures. The department is also required to conduct a regulatory impact report (RIR) regarding the rulemaking pursuant to § 640.015, RSMo. The RIR evaluates the economic impact of both public and private sectors as it pertains to the water quality standards rulemaking amendment. The RIR also evaluates the environmental and economic impacts resulting from the implementation of the standard via Missouri State Operating permits as part of the water quality standard implementation. Both the environmental needs assessment and the regulatory impact report of the water quality standards rulemaking are conducted on a statewide basis.

Currently, as part of the implementation of any revised water quality standards modifications of twenty-five percent or more, § 644.058, RSMo requires the department to evaluate and document the environmental and economic impacts of the revised water quality standards and criteria at an 8-digit hydrologic unit code (HUC) level. Every water quality standards modification that is implemented requires an independent environmental and economic study evaluating the impacts on each of the 66 8-digit HUC watersheds in Missouri. The proposed legislation would modify § 644.058, RSMo to require the scope of these implementation evaluations be narrowed to a 12-digit HUC level, requiring evaluation of the impacts to each of the 2,675 12-digit HUC watersheds in the state, and would apply to all modifications of water quality standards and criteria, not just those exceeding twenty-five percent.

FTE have been allocated to implement the current § 644.058 and although the proposed legislation to modify the scale of watershed-level analysis from the 8-digit HUC level to the 12-digit HUC level represents a 40-fold expansion in the number of watersheds needing to be evaluated, this does not correspond to a 40-fold increase in the complexity of the analysis. Therefore, it is unlikely that additional data, tools or equipment will be needed to accomplish the level of detail required by the proposed legislation.

ASSUMPTION (continued)

However, although current staff will likely be able to satisfy the requirements of the proposed legislation, the expanded analysis will necessarily require some amount of additional staff time to complete, thereby taking time away from other duties and responsibilities and potentially affecting other aspects of water quality standards development.

Officials at the **Department of Conservation** and **Department of Health and Senior Services** each assume no fiscal impact to their respective organizations from this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

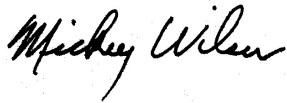
The proposed legislation appears to have no direct fiscal impact.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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SOURCES OF INFORMATION

Department of Natural Resources  
Department of Conservation  
Department of Health and Senior Services

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA  
Director  
January 4, 2016

Ross Strobe  
Assistant Director  
January 4, 2016